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OCT 15 2002

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

October 14, 2002

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Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room TWB-204
Washington, D.C. 20554

Re: *Ex Parte Presentation in CC Docket Nos. 01-338, 96-98, 98-147*

Dear Ms. Dortch:

On October 10, 2002, Joseph Gillan, and the undersigned, representing the Promoting Active Competition Everywhere ("PACE") Coalition, met with Christopher Libertelli of Chairman Powell's office to discuss the position of the PACE Coalition on the future availability of local switching as an unbundled network element. The attached documents were distributed at the meeting.

In accordance with Section 1.1206 of the Commission's rules, an original and one copy of this letter and attachment is being filed with your office.

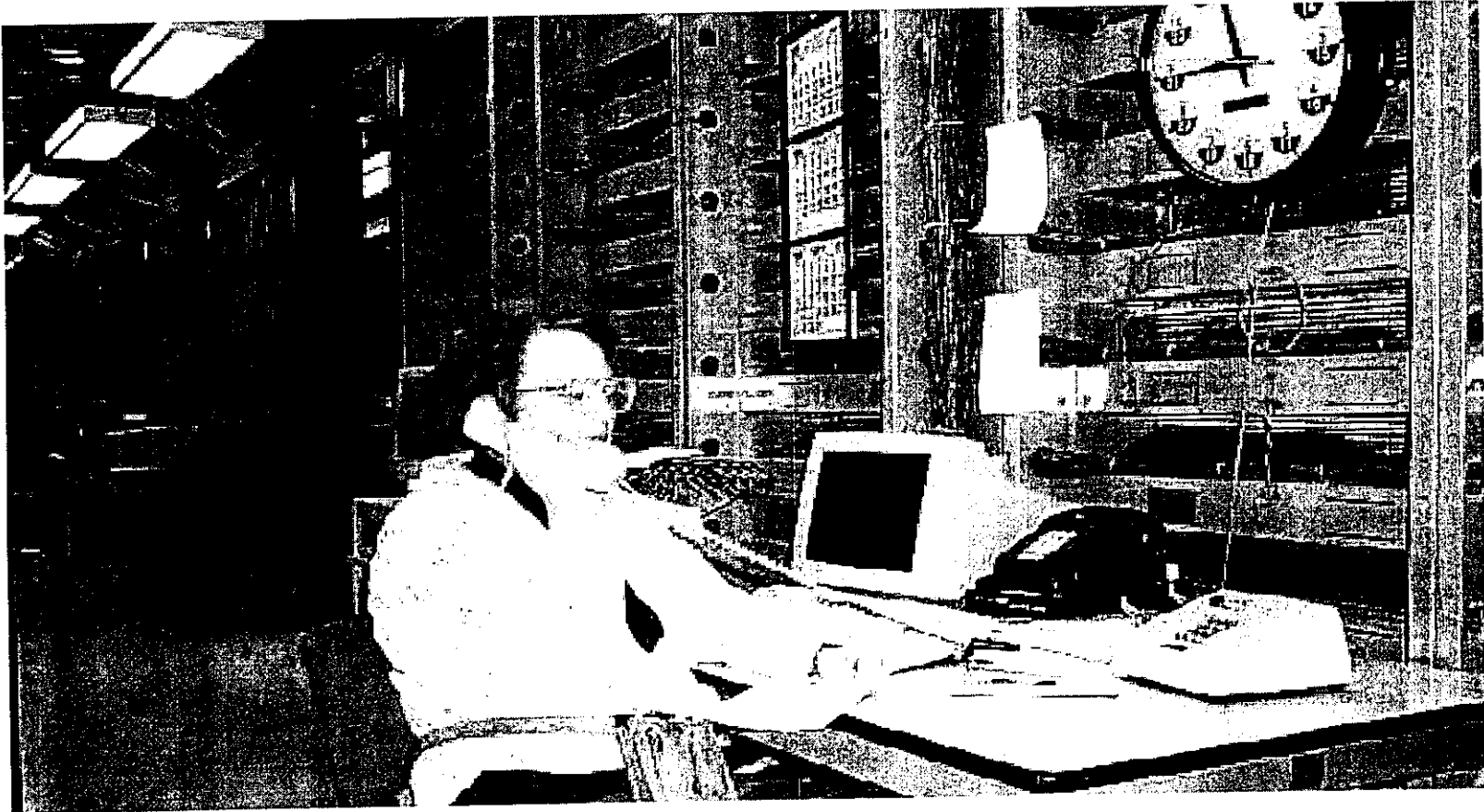
Sincerely,


Genevieve Morelli

cc: Christopher Libertelli

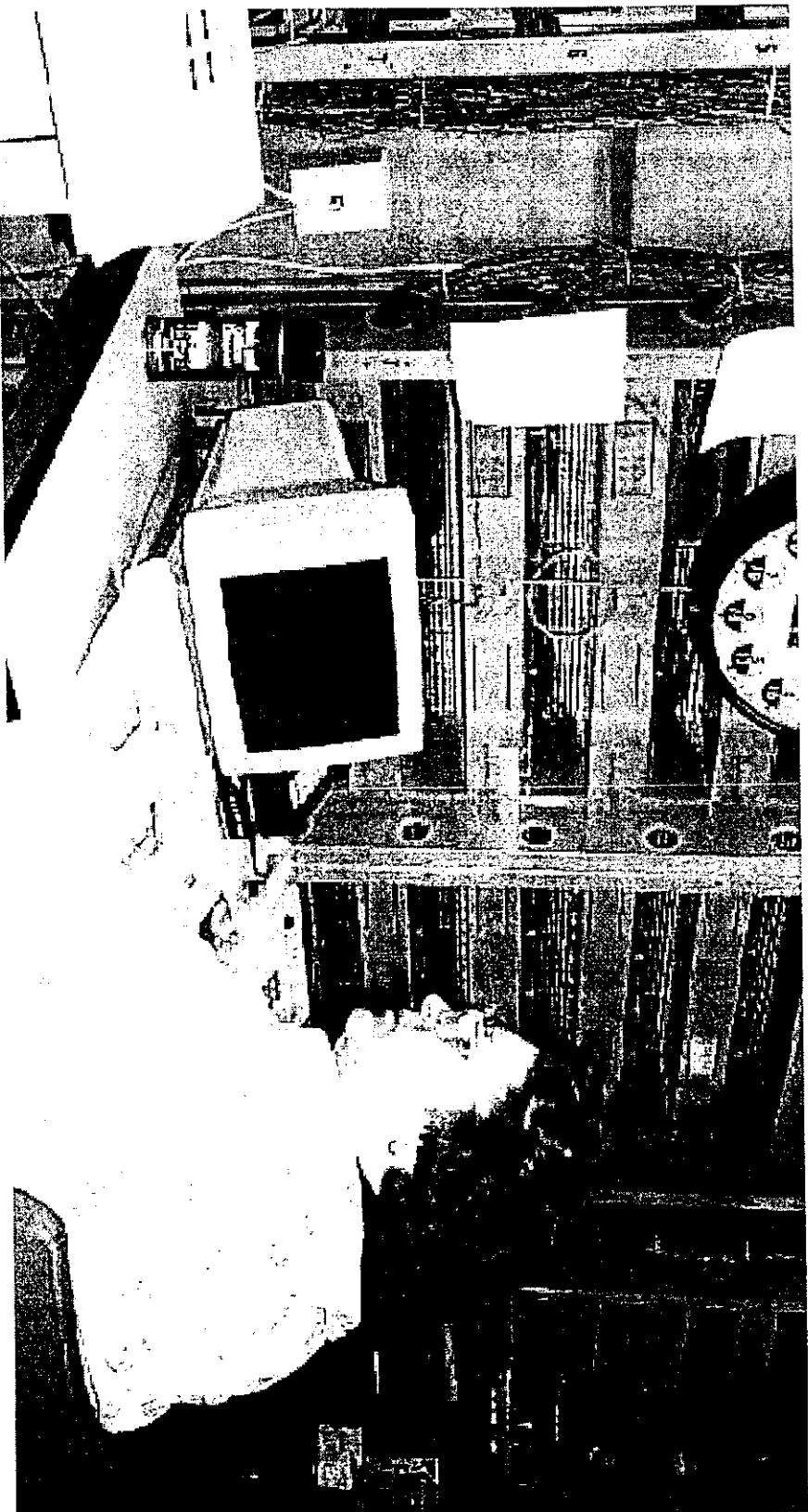
LOOP CUTOVER PROCESS

Step 1: Technician gets call to begin cutover. Asks for cable pair information.



LOOP CUTOVER PROCESS

Step 2: Technician types in cable pair number to obtain order number.



BellSouth Telecommunications, Inc.
Georgia Public Service Commission

Docket Nos. 6863-U

Exhibit WKM-2

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LOOP CUTOVER PROCESS

Step 3: Technician retrieves copy of work order.



LOOP CUTOVER PROCESS

Step 4: Technician responds to UNE Center request to initiate overall cutover of service from BellSouth to CLEC.



LOOP CUTOVER PROCESS

Step 5: Technician conducts ANAC test to verify that correct loop is being cutover.



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Georgia Public Service Commission

Docket Nos. 6863-U

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LOOP CUTOVER PROCESS

Step 6: Technician walks along Main
Distributing Frame to locate both ends of
jumper to be cut.

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Georgia Public Service Commission

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LOOP CUTOVER PROCESS

Step 7: Technician locates precise location of jumper.



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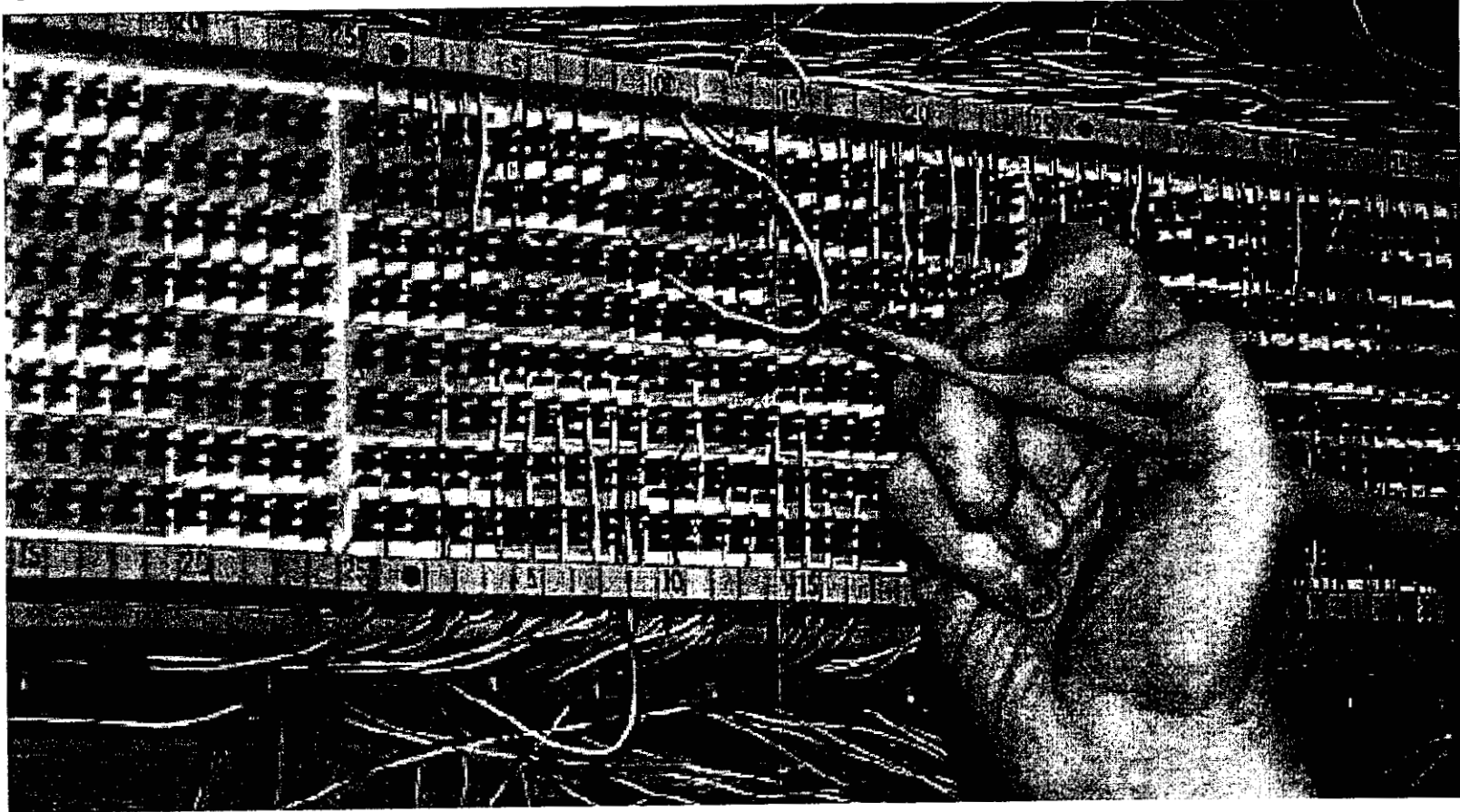
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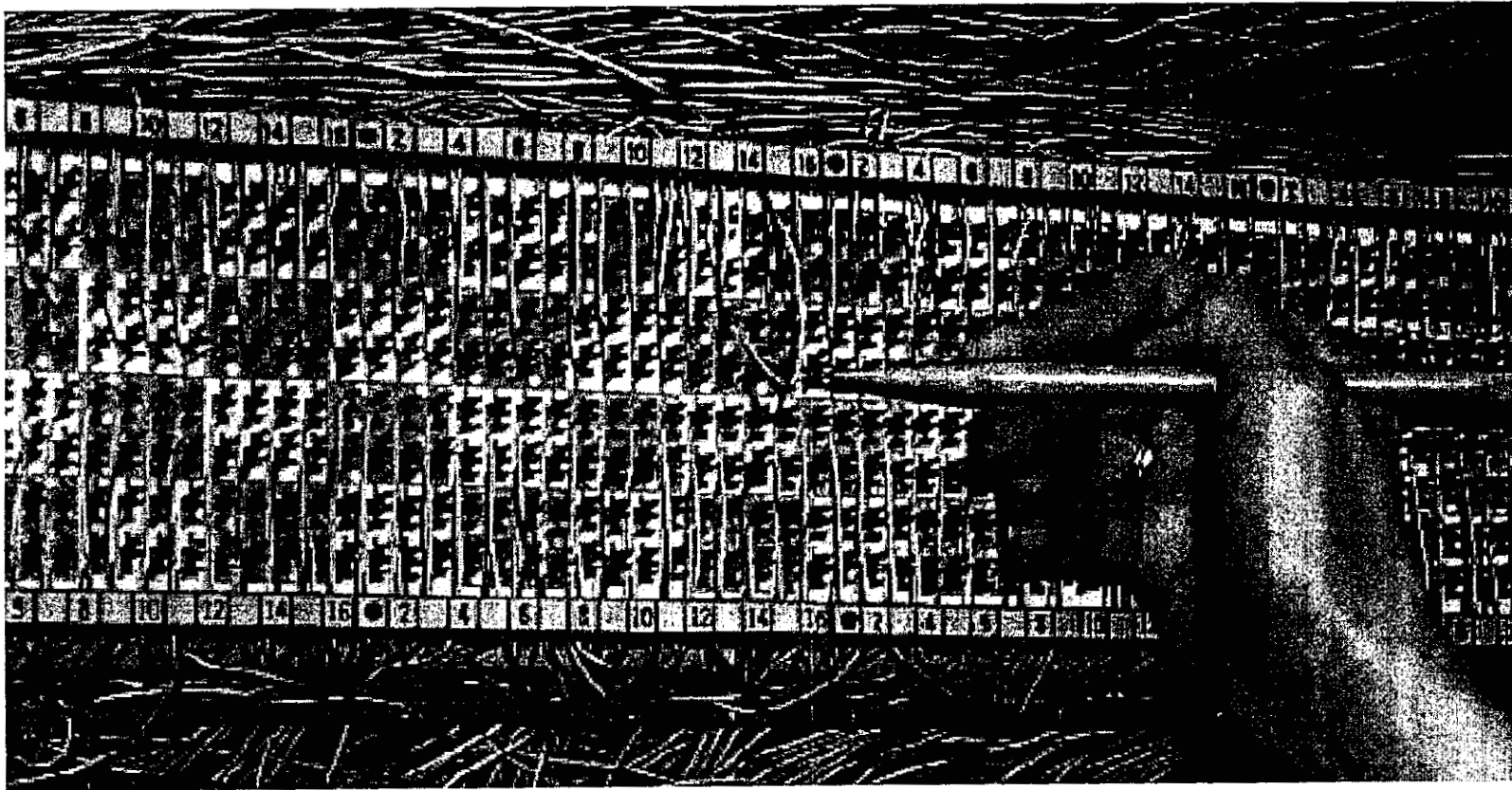
LOOP CUTOVER PROCESS

Step 8: Technician locates and removes end of jumper connected to the BellSouth cable pair.



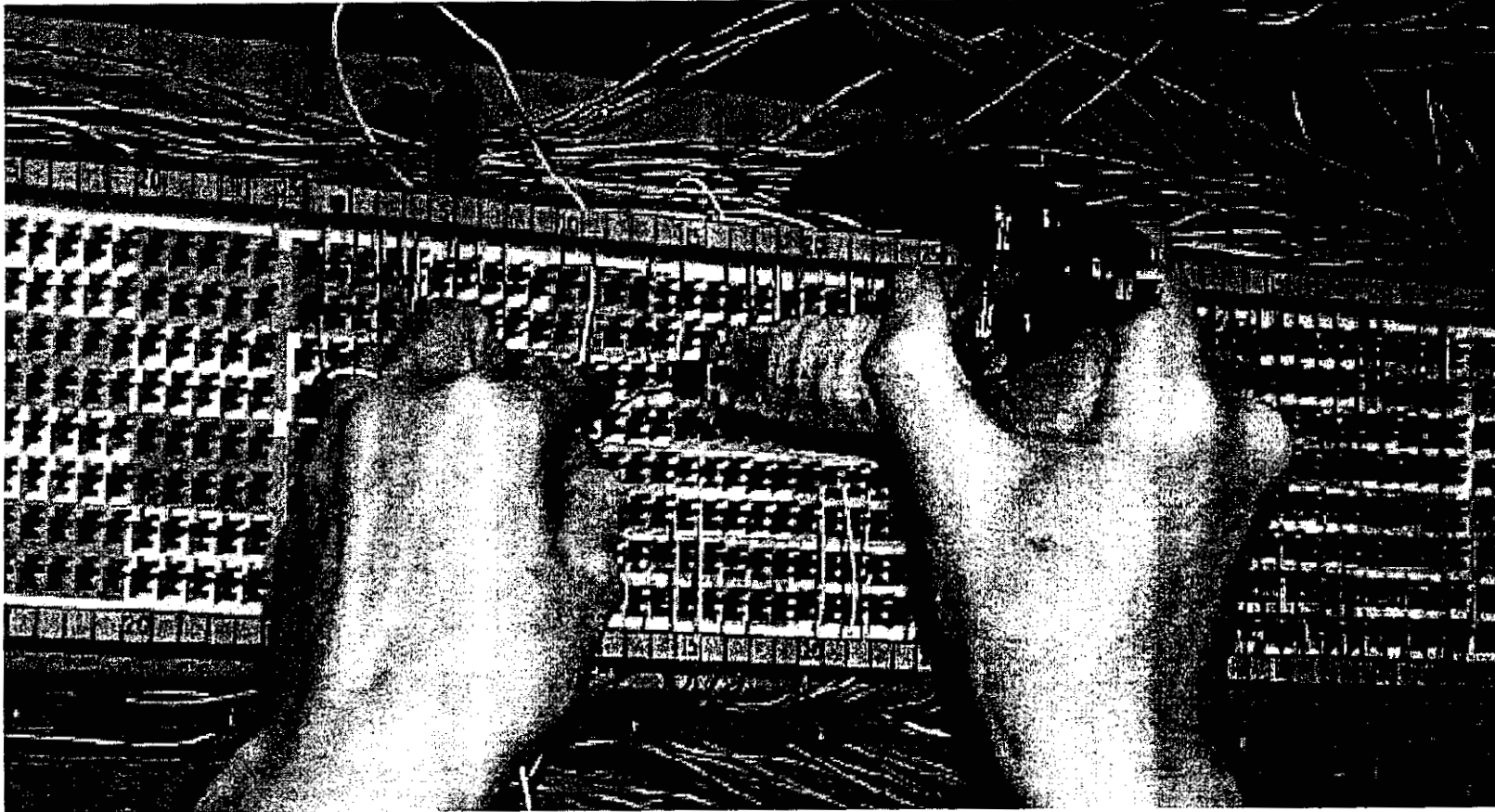
LOOP CUTOVER PROCESS

Step 9: Technician locates and removes end of jumper connected to the switching equipment.



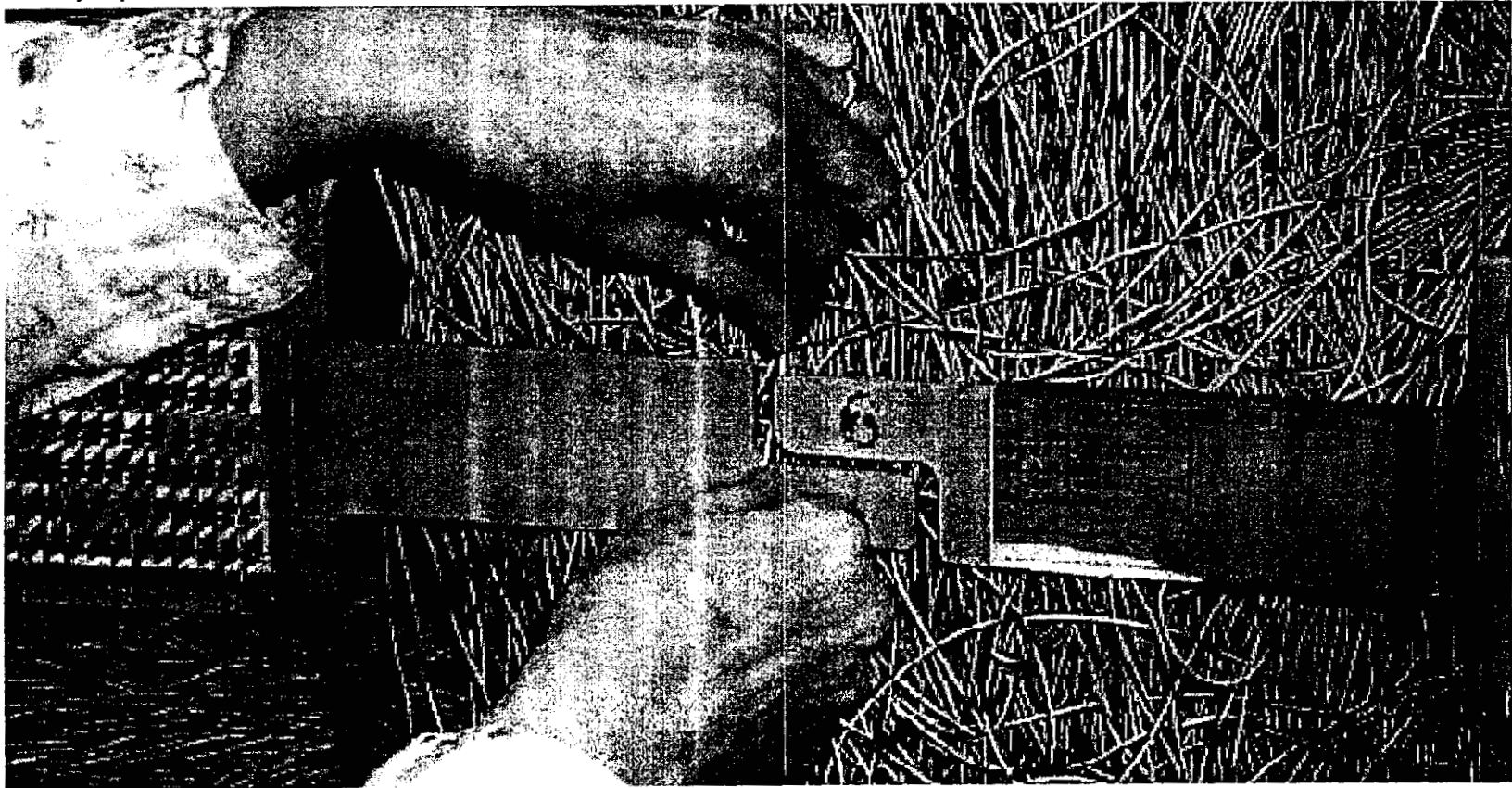
LOOP CUTOVER PROCESS

Step 10: Technician places new jumper on MDF



LOOP CUTOVER PROCESS

Step 11: Technician weaves wire through cable rack to reach tie cable to CLEC's collocation equipment.



LOOP CUTOVER PROCESS

Step 12: Technician connects new jumper
on frame to tie cables to CLEC equipment.



LOOP CUTOVER PROCESS

Step 13: Technician conducts ANAC test to verify that loop has been cut to correct CLEC switch port.

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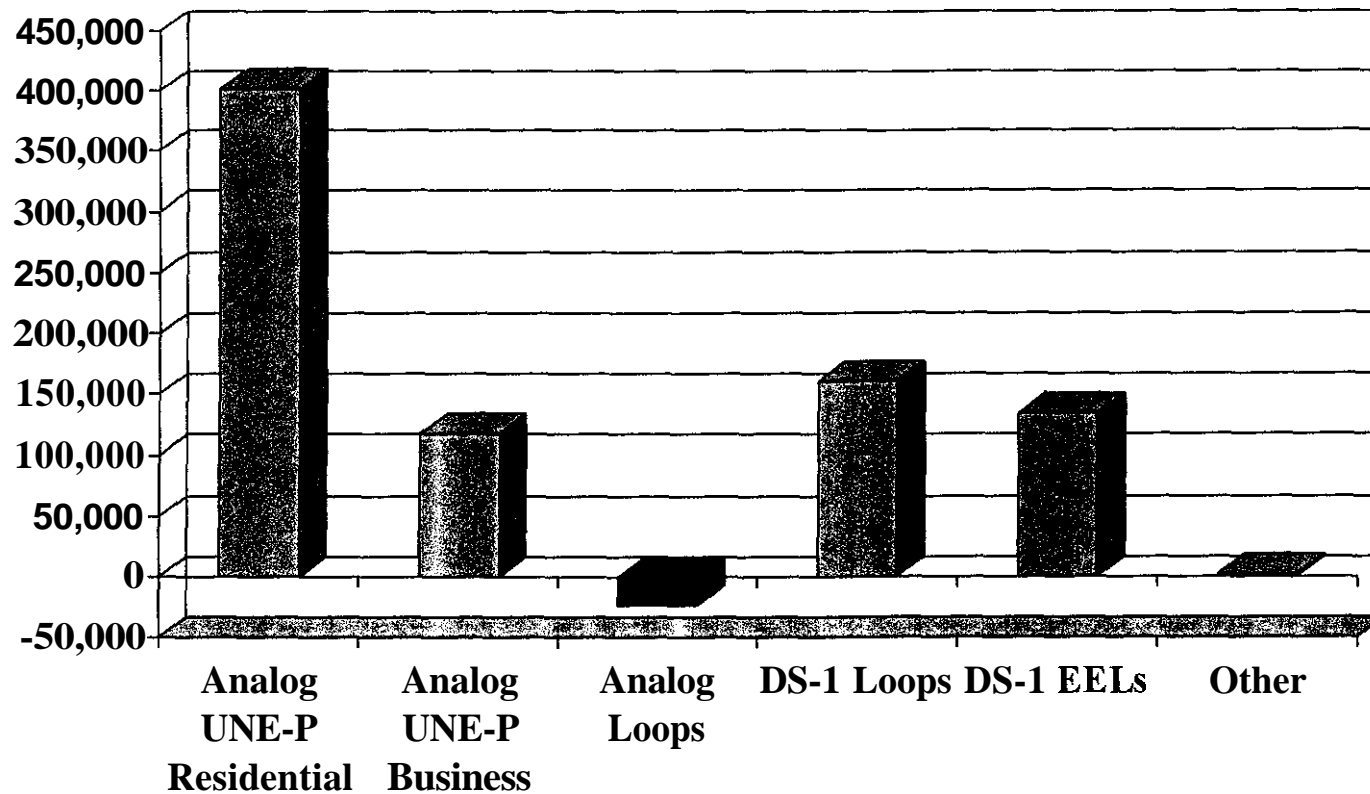


LOOP CUTOVER PROCESS

Step 14: Technician verifies cutover with CLEC, closes order, and notifies the UNE Center.



The UNE Market (CLEC UNE Lines Added – BellSouth 2002)³



³ Source: North Carolina Public Service Commission Docket P-100, Sub 133d.

The Real Message of the ILEC Financial Argument

- * UNE-P provides the highest return to the ILEC of any entry strategy. If UNE-P lines were migrated to UNE-L, the financial effect on the ILECs would be much greater. Therefore, the ILECs must expect less competition for their position to be rational.

Minimum Competitive Reduction The ILECs Must Expect'

	Competitive Reduction
Verizon	-36.4%
BellSouth	-42.1%
SBC	-27.9%
Qwest	-44.8%
Nationwide Average	-34.1%

- * A measure of impairment corrected by a UNE is the competitive gain that results from the UNE being available.

Minimum Competitive Gain From ULS Implied by ILEC Position

	Competitive Reduction
Verizon	57.2%
BellSouth	72.6%
SBC	38.6%
Qwest	81.0%
Nationwide Average	51.7%

¹ Based on UBS Warburg estimates of average revenue, UNE-P and UNE-L costs/line from Commerce Capital Markets, and UNE-P penetration levels as of 12/31/02 from ILEC Form 477 Responses filed with the FCC.